



# FEMA

## *Delta Dental Plan of California Business Exercise Results in Action*

**Sacramento County, CA** - On Nov. 20, 1997, Delta Dental Plan of California and Deltanet, Delta's data processing and consulting subsidiary, conducted a business continuity exercise in partnership with Region IX of the Federal Emergency Management Agency (FEMA) for its Sacramento facilities. The objective of the "El Nino" Exercise, was to test Delta's business and Information Technology (IT) contingency plans in anticipation of unusually stormy weather and severe flooding at the business locations.

The scenario, developed by the Sacramento County Office of Emergency Services, described the flooding of the Delta facility due to a break in the nearby American River levee. There were three primary exercise objectives: 1) to familiarize Delta personnel with their business recovery plan, 2) test how well the plan was supported by the Deltanet plan, and 3) assess any additional steps that might be needed to prepare for an emergency.

Participants included several key internal departments for Delta Dental. Observers were from the Roseville Fire Department, National Weather Service, California State Office of Emergency Services, FEMA and J&H/Marsh McLennan. As a result of the El Nino exercise, senior staff addressed the need to secure their facilities from potentially severe flooding. Planning began in July 1998 for the relocation of the \$2.3 billion company to mitigate threatening impacts to the business. In April 1999, Delta began relocating its Sacramento operations center from a 100-year flood plain to a 500-year flood plain.

The action taken by Delta Dental demonstrates clearly the value of disaster exercises conducted with trained professionals from both the public and private sectors. The partnership illustrates how proactive and cost-effective mitigation can be when problems identified in an exercise setting are acted upon.

A clear indication of financial risk reduction for this business is shown by the risk analysis report submitted annually by Delta Dental to the State of California. The report shows the risk of loss due to flooding at the previous location was in excess of \$25 million with an annual loss expectation of \$367,551. Additional benefits are employee job stability and decreased insurance premiums to the customers of Delta Dental.



**Sacramento County,  
California**



### **Quick Facts**

Sector:

**Private**

Cost:

**Amount Not Available**

Primary Activity/Project:

**Training**

Primary Funding:

**Business Owner**